

Meeting Date: 04-03-07

AGENDA REPORT

Agenda Item # 10.C

Santa Clara



City of Santa Clara, California



DATE: March 28, 2007

TO: City Manager for Council Action

FROM: Administrative Analyst to the City Manager

SUBJECT: Request for Position of Oppose on Senate Bill 49 (Midgen), Local Governmental Financial Assistance for Sports Franchises

EXECUTIVE SUMMARY:

Senate Bill 49 was introduced by Senator Carole Midgen to prohibit a local agency or redevelopment agency from providing financial assistance to a sports stadium project that involves the relocation of a professional sports franchise from the territorial jurisdiction of one local agency to another within the same market area. The bill defines "professional sports team franchise" as a franchise for the exhibition of National Football League games.

Specifically, this bill is intended to prevent the San Francisco 49ers, who have expressed an interest in moving to Santa Clara, from relocating. If passed, it would impose the restriction on financial assistance on any local agency or development agency within 75 miles of San Francisco and take away Santa Clara's right to decide whether it is in the City's best interest to enter into a public-private partnership with the San Francisco 49ers. Currently the bill is waiting to be heard by the Committee on Local Government; a hearing date has not been set. A copy of the bill has been placed in Council offices.

The California Constitution affirmatively grants to charter cities supremacy over "municipal affairs." SB 49 would declare that the relocation of professional sports franchises is a matter of statewide concern rather than a municipal affair, but only if it occurs within a 75-mile radius of the sports team's home location. Staff believes this is an encroachment on the City's right to local control and is inconsistent with previous court determinations regarding local control. To date, the cities of San Jose, Saratoga, Sunnyvale, Montic Sereno, Campbell, Cupertino, the Town of Los Gatos, and the County of Santa Clara have all either taken or plan to take a position of oppose to SB 49.

Ultimately, the City must be responsive and responsible to its citizens in the use of public funds. The City should be free to decide, through an open deliberative process, how to use those funds, including whether or not to subsidize sports stadium projects. For these reasons staff recommends opposing SB 49.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

Taking a position of support is consistent with the City's policy of maintaining and strengthening local control.

ECONOMIC/FISCAL IMPACT:

There is no economic impact associated with taking a position on this bill.

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RECOMMENDATION:

That the Council 1) take a position of OPPOSE on SB 49 (Midgen), which would prohibit local governmental financial assistance for sports franchises, 2) authorize the Mayor and City Manager to take follow-up actions as appropriate regarding this issue.



Pam Morrison
Administrative Analyst to the City Manager

APPROVED:


Jennifer Sparacino
City Manager

Documents Related to this Report:

1) Text of Senate Bill 49 (Midgen), as amended 2/22/07

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